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Subject KPAX-TV: Deal reached to pay for Libby asbestos clean up

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W.R. Grace will pay the U.S. Environmental Protection \$250 million to pay for asbestos cleanup in Libby in what's being hailed as the largest Superfund cleanup settlement in history.

The agreement will settle the company's debt to the EPA and provide money for future cleanup, but it won't get the company out from under a criminal case.

The settlement is announced in federal bankruptcy court in Delaware where W.R. Grace has spent the last seven years trying to reorganize.

The settlement calls for W.R. Grace to pay \$250 million for Libby cleanup, but \$54 million of that amount is already spoken for. W.R. Grace owes that much to the EPA for work done early in the Libby cleanup. The agency sued for that amount in 2001 and won a judgment two years later.

Following a 30 day public comment period, a bankruptcy judge still has to approve the settlement, and once the judge signs off, then W.R. Grace will have one month to write a check, which will go into a special account just for Libby.

"Once the money is in place, it will allow a lot more flexibility about what we plan and budget from year to year" says Paul Peronard with the EPA. "I won't have to go and, if you will, compete for money against other sites. They won't have to take it out of what their annual budget is because this money is set aside."

One longtime Libby activist says that while the amount of the settlement is impressive, there's still it's not an apology, and Gayla Benefield wonders if it will be enough money to get the job done.

"It may sound good up front. But there is so much left to do" comments Benefield. "They basically wrote a check and said, 'There, we're done.' In a lot of ways, to the people who have lost family members like myself, and other people who are losing family members, every little thing is a step forward, is all you can really say about it."

Benefield adds that she still wants definitive information on how much Libby asbestos is too much, and how much is safe to leave behind in buildings and the environment.

Meanwhile, Montana Senator Max Baucus has played a big role in getting Libby cleaned up, and released a statement on the settlement on Tuesday.

"More money for Libby is always a good step. But, as always, the devil is in the details. W.R. Grace knowingly poisoned the people of Libby and devastated an entire town. \$250 million is a drop in the bucket compared to the destruction and pain our neighbors in Libby have been through."

EPA has spent approximately \$120 million on Libby already and they still can't tell us how clean is clean."

"I've been fighting for folks in Libby for a long time and I want to make sure they get the health care they need and their town is cleaned up once and for all."